

RESOLUTION NO. 2016- 08

A RESOLUTION OF THE PORT OF CHELAN COUNTY TO CONDITIONALLY PLEDGE FINANCIAL ASSISTANCE FOR THE CITY OF CHELAN'S LAKE CHELAN AIRPORT WATER MAIN PROJECT.

WHEREAS, the Lake Chelan Airport is jointly owned by the City of Chelan and the Port of Chelan County; and

WHEREAS, the Lake Chelan Airport is recognized by the Federal Aviation Administration as a general purpose airport that serves the north part of Chelan County for agricultural, ambulance, wildland fire management and hobby air services; and

WHEREAS, the City of Chelan has concluded that the potable water service available at the Lake Chelan Airport is not adequate to sustain necessary airport services and expansion at the Lake Chelan Airport, in particular fire flow for new building permits; and

WHEREAS, an economic development benefit study was conducted by the Lake Chelan Airport in 2015 that concluded jobs would be retained and created at the Lake Chelan Airport if the City of Chelan could extend municipal water to the Lake Chelan Airport; and

WHEREAS, in 2016 the City of Chelan received grant funds from the Washington State Department of Health to provide preliminary engineering services to determine a cost effective means to consolidate public water services at the Lake Chelan Airport and the Apple Acres Mobile Village by extending municipal water to the Lake Chelan Airport; and

WHEREAS, the preliminary engineering work conducted under the DOH grant for extending municipal water to the Lake Chelan Airport indicates a total project cost to be in the amount of \$5,930,000; and

WHEREAS, Chelan County has pledged \$1,000,000 to the water main project if the City of Chelan secures the Department of Health loan, the Port financially participates, and all remaining aspects of the water main project are satisfied; and

WHEREAS, the City of Chelan has determined that continuing to seek additional DOH financial assistance is a cost effective means to fund the construction of the Lake Chelan Airport Water Main Project; and

WHEREAS, the City of Chelan submitted a request for the Port of Chelan County to pledge up to \$465,000, conditioned on the City of Chelan obtaining additional financial resources to fund the remaining balance of the Project; and

WHEREAS, at a public meeting of the Port of Chelan County on August 25, 2016, representatives of the City of Chelan provided supporting documentation and a presentation regarding the project, identified the water main project as a high priority economic

development project for the City, and indicated there would be increased revenues to the Airport and to the City associated with the water main extension project; and

WHEREAS, pursuant to the Joint Operating Agreement governing the Airport, the Port of Chelan County provides annual funding for the budget deficit associated with the City's management and operations of the Airport, which budget deficit is anticipated by the City to decrease in light of the anticipated additional revenue arising from the water main project; and

WHEREAS, the Port of Chelan County desires to support the project on the terms and conditions set forth below.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Port of Chelan County may, but is not obligated to, pledge up to \$465,000 toward the cost of the Lake Chelan Airport Water Main Project pursuant to the terms of an interlocal agreement to be negotiated between the Port of Chelan County; provided, however, that an interlocal agreement will only be considered if (a) the City of Chelan has already secured all of the required funds for the Lake Chelan Airport Water Main Project; (b) the City qualifies for grants from the Department of Health for purposes of consolidating public water services, (c) any funding commitment made by the Port may be paid over a 20 year period (at 1% interest); (d) the Port's existing financial commitments to the Lake Chelan Airport set forth in the most recent Joint Operating Agreement are modified to reflect the proposed pledge; and (e) all present and future Airport property is titled consistent with the Joint Operating Agreement and amendments thereto.

ADOPTED by the Board of Commissioners of the Port of Chelan County at a Special meeting thereof held this 12th day of September, 2016.



JC Baldwin, President



Donn Etherington, Vice President



Rory Turner, Secretary